



Louisiana Housing Corporation

July 26, 2016

The Honorable Julian Castro
Office of the Secretary
U.S. Dept. of Housing & Urban Development
451 7th Street S.W., Room 10000
Washington, DC 20410

Re: Written Request for Conflict of Interest Exception – Mr. Charles Tate as Executive Director of the Louisiana Housing Corporation (LHC)

Dear Secretary Castro:

The LHC is responsible for distributing HOME Funds throughout the State of Louisiana according to the State's assessment of the geographical distribution of the housing needs within the State as identified in the State's approved consolidated plan.

On June 8, 2016, the Board of Directors of LHC approved the appointment of Mr. Charles Tate as Executive Director subject to receipt of a Louisiana State Board of Ethics advisory opinion and a HUD Conflict of Interest Review of payments to be received for work completed by Mr. Tate in the private sector in connection with projects awarded Federal funds by LHC before his employment as Executive Director.

Public Disclosure of Conflict of Interest

Attached hereto as **Exhibit "A"** is the Conflict of Interest Public Disclosure for Mr. Charles Tate now posted at www.lhc.la.gov to the LHC website under Public Comments and Notices. Included in the website posting are the following: (i) LHC's correspondence to the Louisiana Ethics Board describing Mr. Tate's consultant services and payments to be received while he serves as Executive Director of the LHC, (ii) Ethics Board Docket No. 2016-531 and its advisory opinion (the "State Ethics Opinion") and (iii) this written request to HUD for an exception to the conflicts prohibited by 24 CFR §92.356(b) in accordance with the threshold requirements and factors to be considered for exceptions as stated at 24 CFR §92.356(d).

No Violation of State or Local Law

Attached hereto as **Exhibit "B"** is the State Ethics Opinion that Mr. Tate is not prohibited from being paid for services prior to his employment with the LHC while he serves as the Executive Director of LHC.

Satisfaction of Threshold Requirements for an Exception

The Threshold Requirements for HUD to grant an exception for Mr. Tate are evidenced by (i) the LHC website posting at www.lhc.la.gov and (ii) the State Ethics Opinion.

Exception Factors

The following Exception Factors are submitted to HUD for consideration in granting the requested exception for Mr. Charles Tate:

1. Nonprofit Consulting Practice and Expertise: Mr. Tate's affordable housing development experiences consulting and working with nonprofit organizations to construct and preserve affordable housing, including HUD 202, 811 and BMIR properties are uniquely suited to the LHC's goals of expanding the capacity of nonprofit housing organizations, particularly in rural areas.
2. Withdrawal as a Service Provider to the Private Sector: Prior to becoming Executive Director of LHC, the State Ethics Opinion states that Mr. Tate will withdraw from any projects for which he is owed compensation. He will resign his position as CEO of Community Directions, Inc. (CDI), a nonprofit, state-certified Community Housing Development Organization (CHDO). While serving as Executive Director, Mr. Tate will be prohibited from providing assistance on projects in which he previously provided management, development, consulting or other services.
3. No Prior Participation In Decisionmaking Process: Mr. Tate was never in a position to participate in a decisionmaking process to Award HOME Funds to any of the projects awarded HOME Funds by LHC before his employment as Executive Director. The State Ethics Opinion concludes, however, that Mr. Tate is not prohibited from being paid for services prior to his employment with the LHC while he serves as the Executive Director of LHC.
4. Application of State Ethics Law: Louisiana Ethics laws are rigorously enforced and prohibit former agency heads from transacting any business with their agency for two years.

Respectfully,



Lloyd S. "Buddy" Spillers
LHC Board Chairman

CONFLICT OF INTEREST PUBLIC DISCLOSURE
Mr. Charles Tate - LHC Executive Director

On June 8, 2016, Board of Directors of the Louisiana Housing Corporation (LHC) approved the appointment of Mr. Charles Tate as Executive Director subject to receipt of a Louisiana State Board of Ethics advisory opinion and a HUD Conflict of Interest review of payments to be received for work completed by Mr. Tate in the private sector in connection with projects awarded Federal funds by LHC before his employment as Executive Director.

Ethics Board Docket No. 2016-531 (the "State Ethics Opinion")

Upon becoming Executive Director of LHC, the State Ethics Opinion states that Mr. Tate will resign his position as CEO of Community Directions, Inc. (CDI), a nonprofit, state-certified Community Housing Development Organization (CHDO). While serving as Executive Director, Mr. Tate and a company in which he holds an ownership interest are prohibited from providing assistance on projects in which he previously provided management, development, consulting or other services to CDI and other non-profits. The State Ethics Opinion concludes that Mr. Tate is not prohibited from being paid for services prior to his employment with the LHC while he serves as the Executive Director of LHC.

HUD Conflict of Interest Review

Upon becoming LHC Executive Director, Mr. Charles Tate will be covered by and must comply with the Conflict of Interest provisions of the HOME Rule at 24 CFR 92.356. In connection with payments to Mr. Tate from a HOME-assisted activity for services completed prior to his employment as Executive Director, a written request has been submitted to HUD to grant an exception to the Conflict of Interest provisions at 24 CFR 92.356 so long as such payments to Mr. Tate are made in a manner consistent with the State Ethics Opinion. An exception may be considered by HUD only after the following has been provided to HUD:

1. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
2. An opinion of the participating jurisdiction's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.

Public Disclosure of Conflict of Interest

Documents and legal authority pertaining to the State Ethics Opinion are posted to the LHC website under Public Comments and Notices at www.lhc.la.gov. Included in this posting are LHC's correspondence to Ethics Board describing Mr. Tate's consultant services and payments to be received during his employment as Executive Director, the State Ethics Opinion, relevant state statutes, the referenced Conflict of Interest provisions of the HOME Rule at 24 CFR 92.356, and relevant correspondence between LHC and HUD, including the written request to HUD to grant an exception to the Conflict of Interest for Mr. Tate. LHC Board Secretary, Barry Brooks, may be contacted at 225-763-8773 for additional information.



STATE OF LOUISIANA
DEPARTMENT OF STATE CIVIL SERVICE
LOUISIANA BOARD OF ETHICS
P. O. BOX 4368
BATON ROUGE, LA 70821
(225) 219-5600
FAX: (225) 381-7271
1-800-842-6630
www.ethics.la.gov

June 20, 2016

E. Keith Cunningham, Jr.
Interim Executive Director
Louisiana Housing Corporation
2415 Quail Drive
Baton Rouge, LA 70808

Re: Ethics Board Docket No. 2016-531

Dear Mr. Cunningham:

The Louisiana Board of Ethics, at its June 17, 2016 meeting, considered your request for an advisory opinion regarding the propriety of the Louisiana Housing Corporation (LHC) appointing Charles Tate as its Executive Director. You stated that Mr. Tate is currently the CEO of Community Directions, Inc. (CDI), a nonprofit, state-certified Community Housing Development Organization. CDI has received federal resources through LHC following competitive "Notices of Funding Announcements" to help fulfill its shared mission with LHC to create and preserve affordable housing for Louisiana citizens of modest means. You stated that Mr. Tate has previously provided management and development services for programs and projects sponsored by CDI and, through a company in which he owns 90%, Jasmine Consulting, LLC, development consulting services to other nonprofits for which he has not yet been paid. You also stated that if appointed as Executive Director of LHC, Mr. Tate intends to resign his position as CEO of CDI, but may occasionally, if permitted, provide additional, uncompensated, affordable housing assistance to CDI and other nonprofits, to see previously submitted nonprofit projects through to closing and completion.

As noted in your request, La. R.S. 40:600.90H(1) provides that if any member of the board of directors or any officer or employee of the corporation shall have an interest, either direct or indirect, in any contract to which the corporation is, or is to be, a party, or in any lending institution requesting a loan from or offering to sell insured mortgage loans to the corporation, such interest shall be disclosed to the corporation in writing and shall be set forth in the minutes of the corporation. Furthermore, La. R.S. 40:600.90H(2) provides that notwithstanding the provisions of R.S. 42:1112, no member of the board of directors and no officer or employee having such interest shall participate in any action by the corporation, including but not limited to discussion and voting on any issue bearing on that interest, and the member of the board of directors shall recuse himself from any action taken by the board of directors. Finally, La. R.S. 40:600.90F subjects LHC and its board to the Code of Governmental Ethics only to the extent that it does not conflict with La. R.S. 40:600.90.

Generally, La. R.S. 42:1113A(1)(a) prohibits public servants, other than appointed board members, their immediate family members, or legal entities in which they have a controlling interest, from entering into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant. Further, La. R.S. 42:1112A prohibits a public servant from participating in a transaction involving his governmental entity in which he has a substantial economic interest. Given the language of La. R.S. 40:600.90 F and H, the Board

concluded, and instructed me to inform you that, this statutory provision appears to create an exception to the provisions in La. R.S. 42:1112A and La. R.S. 42:1113A(1)(a) to allow the Executive Director of LHC to have an interest in a contract to which LHC is, or is to be, a party and to allow the Executive Director to recuse himself from participating in a matter which otherwise would result in a violation of La. R.S. 42:1112. Furthermore, the Executive Director of LHC would not be required to submit a disqualification plan to the Ethics Board for approval. In the future, if you have a specific contract that you would like the Board to address, you will need to submit an advisory opinion request and provide more specific information about the proposed contract.

The Board also concluded, and instructed me to inform you, that the Code of Governmental Ethics would not prohibit Charles Tate, as Executive Director of LHC, from performing uncompensated, affordable housing assistance on projects in which he did not previously provide management, development, consulting or other services to CDI and other nonprofits that have a financial relationship with LHC as long as there is no promise of future payment. La. R.S. 42:1111E(1) prohibits a public servant and any legal entity, of which the public servant is a director or employee, from receiving any thing of economic value for assisting a person in a transaction, or in an appearance in connection with a transaction, with the agency of such public servant. La. R.S. 42:1111C(2)(d) prohibits a public servant and any legal entity in which the public servant exercises control or owns an interest in excess of twenty-five percent from receiving compensation for services rendered to or for any person who has or is seeking to obtain a business, contractual or financial relationship with the public servant's agency.

CDI and other non-profits receive federal resources through LHC. Therefore, while he is the Executive Director of LHC, Mr. Tate and Jasmine Consulting, LLC would be prohibited from providing assistance on projects in which he previously provided management, development, consulting or other services to CDI and other non-profits while he serves as the Executive Director of LHC. However, Mr. Tate would not be prohibited from being paid for services he or Jasmine Consulting, LLC provided to CDI, and any other non-profits that have a financial relationship with LHC, prior to his employment with LHC while he serves as the Executive Director of LHC.

This advisory opinion is based solely on the facts as set forth herein. Changes to the facts as presented may result in a different application of the provisions of the Code of Ethics. The Board issues no opinion as to past conduct or as to laws other than the Code of Governmental Ethics. If you have any questions, please contact me at (800) 842-6630 or (225) 219-5600.

Sincerely,

LOUISIANA BOARD OF ETHICS


Jennifer T. Land
For the Board

Cc: Charles Tate (via E-mail)

RS 40:600.86

CHAPTER 3-G. LOUISIANA HOUSING CORPORATION ACT

§600.86. Short title; findings; purpose

A. This Chapter shall be known and may be referred to as the "Louisiana Housing Corporation Act".

B.(1) The legislature hereby finds and declares that there exists in the state of Louisiana a serious shortage of affordable, accessible, decent, safe, and sanitary residential housing that is in compliance with Title II of the Americans with Disabilities Act, 42 U.S.C.A. §12131 et seq., the Fair Housing Act, 42 U.S.C.A. §3601 et seq., and Section 504 of the Rehabilitation Act, 29 U.S.C.A. §794.

(2) The legislature hereby finds and declares further that private enterprise and investment unaided has not been able to produce the needed construction of decent, safe, accessible, and sanitary residential housing at prices which persons and families of low or moderate income can afford, or to achieve the urgently needed rehabilitation of existing inadequate and substandard residential housing. The legislature further finds and declares that it is imperative that the supply of residential housing for persons and families of low or moderate income, senior citizens and persons with disabilities, that is in compliance with Title II of the Americans with Disabilities Act, 42 U.S.C.A. §12131 et seq., the Fair Housing Act, 42 U.S.C.A. §3601 et seq., and Section 504 of the Rehabilitation Act, 29 U.S.C.A. §794, be increased substantially and that private enterprise and investors be encouraged to sponsor, build, and rehabilitate residential housing for such persons and families.

(3) The legislature hereby finds and declares further that a major cause of the shortage of residential housing is the inadequate supply of funds available from private mortgage lenders for residential housing mortgage loans at interest rates within the financial means of persons and families of low or moderate income.

(4) The legislature hereby finds and declares that the limited resources available directly to the state or its agencies may be more effectively and efficiently utilized if a single corporation is authorized and directed to coordinate housing programs administered by the state or its agencies and instrumentalities.

(5) The legislature hereby finds and declares further that additional financial resources and technical skills must be available in local communities if the state is to mobilize the capacity of the private sector, including nonprofit community housing development organizations, to provide a more adequate supply of decent, safe, affordable, accessible, and sanitary housing.

(6) The legislature hereby finds and declares further that state leadership is needed to achieve an adequate supply of affordable and accessible housing for all residents of the state and that such leadership shall be provided through the corporation.

(7) The legislature hereby finds and declares further that this corporation should have the maximum amount of flexibility, responsibility, and discretion to assure that all the residents of the state shall have access to decent, safe, sanitary, accessible, and affordable housing; therefore, in carrying out the purposes of this Chapter, the corporation shall be presumed to possess broad powers and legal prerogatives which enable the corporation to carry out its purposes directly or indirectly through one or more nonprofit subsidiaries.

(8) The legislature hereby finds and declares further that a major cause of the shortage of residential housing available for persons and families of low or moderate income is the lack of a coordinated approach and clear statewide policy regarding funds for such residential housing.

(9) The legislature hereby finds and declares further that providing housing for citizens with disabilities and senior citizens is a crucial responsibility of the state and that any coordinated

approach or clear statewide policy regarding funds for residential housing shall take into account assuring that such housing remains available and affordable for senior citizens and persons with disabilities.

Acts 2011, No. 408, §1, eff. July 5, 2011.

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[<] **RS 40:600.90** [>]



§600.90. Officers of the corporation; duties; liability

A. Executive director.

(1) Appointment.

(a) The board of directors of the corporation shall appoint an executive director of the corporation subject to confirmation by the Senate for a term not to exceed three years. Any person appointed shall meet all the requirements for being a member of the board of directors except for the requirement of R.S. 40:600.89(A) (2)(a).

(b) Any person whose appointment was not confirmed shall not be reappointed for confirmation for a period of two years.

(2) Duties; requirements.

(a) The executive director of the corporation shall manage the daily affairs of the corporation and shall have such powers and duties as specified by this Chapter and by the board of directors.

(b) The executive director shall not be a member of the board.

(c) The executive director of the corporation shall be terminated only for cause.

(d) The executive director shall administer, manage, and direct the affairs and business of the corporation, subject to the policies, control, and direction of the board of directors of the corporation.

B. The executive director shall submit a staffing plan to the board for its approval.

C. No officer or employee of the corporation shall be a member of the board.

D. The powers of the board.

(1) The powers of the corporation shall be vested in the board of directors.

(2) A majority of the members of the board currently serving shall constitute a quorum for the transaction of any business, and the presence of a quorum shall be required for the exercise of any power or function of the corporation. No vacant office shall be included in the determination of the number of members of the board necessary to establish a quorum.

(3) No action shall be taken by the board until such time as at least seven of the members have been appointed and have taken the oath of office.

(4) No vacancy in the board shall impair the rights of a quorum of the board to exercise any power or function of the corporation as provided in Paragraph (5) of this Subsection.

(5) Action may be taken by a quorum of the board upon an affirmative vote of a majority of the members present.

(6) The board may create and appoint members to any committee deemed necessary or beneficial to carrying out the duties of the board.

(7) The board may employ counsel to represent the board.

(8) The board may appoint and, so appointing, prescribe the duties of the officers as are named to assist in the operation of the corporation, including, but not limited to, a secretary or treasurer of the corporation. The offices and duties shall be included in the bylaws of the corporation.

E. The corporation shall be domiciled in Baton Rouge.

F. The corporation shall adopt bylaws for its own governance and internal organization, provided that such bylaws shall not conflict with any of the provisions of this Chapter or with any other law applicable to public bodies or agencies. Except to the extent in conflict with this Chapter, the corporation and its board shall be subject to the laws relative to meetings of public bodies, public records, and the Code of Governmental Ethics.

G. No member of the board of directors shall be civilly liable by reason of any act or omission committed or suffered in the performance of his duties as member of the board or with respect to the operations of the corporation, but any act, liability for omission, or obligation of a member in the performance of his duties or with respect to the operations of the corporation shall extend to the whole of the property of the corporation, or so much thereof as may be necessary or available to discharge such liability or obligation, and not otherwise.

H.(1) If any member of the board of directors or any officer or employee of the corporation shall have an interest, either direct or indirect, in any contract to which the corporation is, or is to be, a party, or in any lending institution requesting a loan from or offering to sell insured mortgage loans to the corporation, such interest shall be disclosed to the corporation in writing and shall be set forth in the minutes of the corporation.

(2) Notwithstanding the provisions of R.S. 42:1112, no member of the board of directors and no officer or employee having such interest shall participate in any action by the corporation, including but not limited to discussion and voting on any issue bearing on that interest. The member of the board of directors shall recuse himself from any action taken by the board of directors.

(3) Failure to make a disclosure required pursuant to this Subsection shall constitute misconduct in office.

I. Fiscal matters.

- (1) The corporation shall operate from self-generated funds and shall not be a budget unit of the state.
 - (2) The corporation may receive state appropriations and the expenditure of such appropriated funds shall be subject to budgetary controls or authority of the division of administration.
 - (3) The corporation shall establish an operating budget for the use of its funds, subject to the favorable vote of two-thirds of the current membership of the board of directors of the corporation.
 - (4) The fiscal year for the corporation shall run concurrently with the fiscal year of the state.
 - (5) Any budget adopted for a fiscal year shall be effective for that fiscal year.
- Acts 2011, No. 408, §1, eff. July 5, 2011; Acts 2013, No. 420, §5, eff. June 21, 2013.

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P.O. Box 94062 (900 North Third Street) Baton Rouge, Louisiana 70804-9062

§ 92.355

receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.

(c) *Sweat equity.* The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

§ 92.355 Lead-based paint.

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

[64 FR 50224, Sept. 15, 1999]

§ 92.356 Conflict of interest.

(a) *Applicability.* In the procurement of property and services by participating jurisdictions, State recipients, and subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.

(b) *Conflicts prohibited.* No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decisionmaking process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official

24 CFR Subtitle A (4-1-11 Edition)

of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

(d) *Exceptions: Threshold requirements.* Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the participating jurisdiction's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

(1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

(2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;

(4) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;

(5) Whether undue hardship will result either to the participating jurisdiction or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(6) Any other relevant considerations.

(f) *Owners and Developers.* (1) No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official or consultant of the owner, developer or sponsor) whether private, for-profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

(2) *Exceptions.* Upon written request of a housing owner or developer, the participating jurisdiction (or State recipient, if authorized by the State participating jurisdiction) may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, the participating jurisdiction shall consider the following factors:

(i) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(ii) Whether the person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted housing in question;

(iii) Whether the tenant protection requirements of § 92.253 are being observed;

(iv) Whether the affirmative marketing requirements of § 92.351 are being observed and followed; and

(v) Any other factor relevant to the participating jurisdiction's determination, including the timing of the requested exception.

[61 FR 48750, Sept. 16, 1996, as amended at 62 FR 28930, May 28, 1997]

§ 92.357 Executive Order 12372.

(a) *General.* Executive Order 12372, as amended by Executive Order 12416 (3 CFR, 1982 Comp., p. 197 and 3 CFR, 1983 Comp., p. 186) (Intergovernmental Review of Federal Programs) and HUD's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

(b) *Applicability.* Executive Order 12372 applies to applications submitted with respect to HOME funds being competitively reallocated under subpart J of this part to units of general local government.

§ 92.358 Consultant activities.

No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (e.g., annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Pub. L. 104-204 (September 26, 1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.

[62 FR 28930, May 28, 1997]



Louisiana Housing Corporation

The following motion was offered by Board Member Jennifer Vidrine and seconded by Board Member Donald B. Vallee:

RESOLUTION

A resolution providing for the appointment of Charles E. Tate as Executive Director of the Louisiana Housing Corporation; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Corporation (the "Corporation") was created as a public body, corporate and politic of the State of Louisiana pursuant to Act 408 of the 2011 Louisiana Legislature, contained in Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended and codified as Louisiana Revised Statute §40:600.86 through 600.11 (the "LHC Act"); and

WHEREAS, La. R.S. 40:600.90(A)(1)(a) confers upon the Board of Directors the authority to appoint an Executive Director of the Corporation, subject to confirmation of the Senate; and

WHEREAS, the position of LHC Executive Director has been filled by interim appointments since its last Executive Director resigned May 1, 2015, more than thirteen months ago; and

WHEREAS, the LHC Board of Directors deems it necessary and advisable to appoint an Executive Director; and

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation (the "Board"), acting as the governing authority of said Corporation:

SECTION 1. Charles E. Tate is hereby appointed as the Corporation's Executive Director, subject to Louisiana State Board of Ethics advisory opinion and a HUD Conflict of Interest review.

SECTION 2. The Board Chair shall negotiate and enter into an employment contract as may be necessary to secure Charles E. Tate's role as the Corporation's Executive Director.

SECTION 3. Effective as of the effective date of the employment contract, and consistent with the LHC Act and Bylaws, the Board hereby delegates to Charles E. Tate all of the powers of the office of the Executive Director of the Louisiana Housing Corporation

SECTION 4. The Chairman is hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Corporation, the terms of which are to be consistent with the provisions of this resolution.

SECTION 5. The Corporation staff and legal counsel are authorized and directed to prepare the forms of such notices, documents, and/or agreements as may be necessary to effectuate the terms of this resolution.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Lloyd S. Spillers, Michael T. Anderson, Larry Ferdinand, Tammy P. Earles, Elton M. Lagasse, Willie Rack, Jennifer Vidrine, Gillis R. Windham.

NAYS: Donald B. Vallee.

ABSENT: John N. Kennedy.

ABSTAIN: None.

And the resolution was declared adopted on this, the 8th day of June 2016.


Chairman


Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the "Corporation"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on June 8, 2016, entitled, "A resolution providing for the appointment of Charles E. Tate as Executive Director of the Louisiana Housing Corporation; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 8th day of June, 2016.


Secretary

(SEAL)



Louisiana Housing Corporation

May 5, 2016

Ms. Kathleen Allen, Administrator
Louisiana Board of Ethics
LOUISIANA ETHICS ADMINISTRATION PROGRAM
P.O. Box 4368
Baton Rouge, Louisiana 70821

RE: Request for Expedited Ethics Advisory Opinion Recognizing Louisiana Housing Corporation (LHC) exceptions to the Louisiana Ethics Code contained in La. R.S. 40:600.90 and seeking permission to submit Disqualification Plans

Dear Ms. Allen:

This Request for an expedited Ethics Advisory Opinion follows our recent telephone conversation and your prior information exchanges with Mr. Charles Tate, and includes more particulars and Disqualification Plans proposed to address such circumstances per your recent request.

Expedited consideration at your May Ethics Board meeting is requested given:

- 1.) The Louisiana Housing Corporation's (LHC's) immediate need to allocate or lose Federal funds that must be timely contemplated, scheduled for LHC Board hearing, LHC Board authorized release of Notice of Funding Availability (NOFA), and LHC Board award;
- 2.) That the LHC Board of Directors by statute consists of eleven (11) members, comprised of the Treasurer sitting ex officio, plus ten (10) volunteer part-time directors;
- 3.) That to chart a new path forward, the Governor, Speaker of the House, and President of the Senate over the past two (2) weeks appointed eight (8) new board members out of eleven (11);
- 4.) That one (1) or more of these directors is involved with a nonprofit housing provider who, together with the underserved region it represents, has an immediate need to know what options are available to him and his organization if it is to fulfill its mission of addressing that region's underserved needs (the Director hopes he did not agree to serve as a volunteer on the LHC Board only to be disqualified from earning a living in the very field that recommended him for service);

- 5.) That other equally conscientious volunteer board members require this expedited Ethics guidance so they do not inadvertently lead the LHC astray in the promulgation of current or future NOFAs and policies;
- 6.) That the Corporation wishes to expeditiously hire a permanent Executive Director (a position I have occupied on an interim basis since April 27, 2016) to fill the position vacant since May 1, 2015, one (1) year ago, possibly someone with practical development experience demonstrating the new construction or rehabilitation and preservation of literally hundreds of units of affordable housing of various types (e.g., multifamily, scattered site, urban, rural, rental, homeowner) with total development costs exceeding \$50 Million over the past eight (8) years) who needs to know whether to relocate the school aged member of household to Baton Rouge, or not;
- 7.) That the Corporation is obligated to received evidence, consider and enact a budget; and
- 8.) That according to La.R.S. 40:600.90, the Executive Director is responsible for managing the day-to-day affairs of the LHC and, of particular relevance, for submitting and implementing a Staffing Plan; and
- 9.) That in connection, therewith, the prior Board by resolution hired consultants to propose a 20% Staffing Reduction Plan that was only received by Board members (new and old) two days ago, May 3, 2016; and
10. That the Corporation and its Board need all the help and clarity from the Board of Ethics it can get, and now, so that a budget and a Staffing Plan with or without a 20% staff reduction can be adopted immediately, so that the Corporation can retrain its focus on its statutory mission, which includes optimally allocating the limited resources entrusted to the State toward addressing the virtually unlimited need to add and preserve affordable housing for its citizens that is safe, decent and affordable; and to see that this objective is achieved in the real world.

It is our hope that this Request, building upon in-depth conversations and information exchanges with its Administrator over the past ten (10) days or so, incorporates enough detail for the Ethics Board to expedite its review and issuance of the requested Ethics Opinion following its May meeting so that the newly reconstituted Louisiana Housing Corporation can timely take up the urgent matters before it.

General Ethics Provisions

La. R.S. 42:1112 and La. R.S. 42:1113 sets forth the prohibitions generally applicable to public servants and board members concerning agencies with which they are associated.

La. R.S. 42:1112 prohibitions generally applicable across State agencies include transactions in which public servants have a personal economic interest or existing contracts involving such

public servant individually or by virtue of legal entities the public servant controls or owns an interest in excess of twenty-five percent.

La. R.S. 42: 1113 prohibitions generally applicable across state agencies include similar prohibitions against bidding on or entering into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant.

With one exception not applicable here,¹ these generally applicable Ethics statutes were enacted through legislation passed between 1979 and 2008.

Specific Louisiana Housing Corporation Provisions

This Request pertains to officers and directors of the Louisiana Housing Corporation (LHC), which was created by legislation enacted in 2011 and 2013.²

The Legislature's motivations for establishing by agency specific statute the Louisiana Housing Corporation are specified in La. R.S. 40: 600.86 and include the following:

The legislature hereby finds and declares further that this corporation should have the maximum amount of flexibility, responsibility, and discretion to assure that all the residents of the state shall have access to decent, safe, sanitary, accessible, and affordable housing; therefore, in carrying out the purposes of this Chapter, the corporation shall be presumed to possess broad powers and legal prerogatives which enable the corporation to carry out its purposes directly or indirectly through one or more nonprofit subsidiaries.

La. R.S. 40:686 (7) (Emphasis added).

In that vein, La. R.S. 40:600.90, specifically applicable to the Louisiana Housing Corporation, provides as follows:

H.(1) If any member of the board of directors or any officer or employee of the corporation shall have an interest, either direct or indirect, in any contract to which the corporation is, or is to be, a party, or in any lending institution requesting a loan from or offering to sell insured mortgage loans to the corporation, such interest shall be disclosed to the corporation in writing and shall be set forth in the minutes of the corporation.

(2) Notwithstanding the provisions of R.S. 42:1112, no member of the board of directors and no officer or employee having such interest shall participate in any action by the corporation, including but not limited to discussion and voting on any

¹ Acts 2012, No. 689, §1, eff. June 7, 2012 added an exception involving DHH vendors under the Early Steps program.

² Acts 2011, No. 408, §1, eff. July 5, 2011; Acts 2013, No. 420, §5, eff. June 21, 2013. The latter provision only set the term of the Executive Director as not to exceed three years and provided that the incumbent could only be dismissed for cause during that period.

issue bearing on that interest. The member of the board of directors shall recuse himself from any action taken by the board of directors.

(3) Failure to make a disclosure required pursuant to this Subsection shall constitute misconduct in office.³

The statute contains no prohibitions against contracts, subcontracts, or transactions involving the Louisiana Housing Corporation and its officers and directors, but only requires that they disclose any such interests and abstain from any involvement. Moreover, this LHC-specific statute stands in striking contrast to the LHFA statute it replaced; that legislatively overruled provision only immunized a few professions, such as bankers and realtors, and outright banned the identical activities of board members falling outside those narrow professional categories.⁴ Thus, La. R.S. 40:600.90 would appear to have the effect of expanding the Ethics Advisory Opinion released in connection with Ethics Board Docket 2008-599.

It is against the backdrop of this clear and unambiguous statute that this Request for an Advisory Opinion and Ethics Disqualification Plans are submitted.⁵

The questions presented to the Ethics Commission are as follows:

1. Given the provisions of La. R.S. 40:600.90, the LHC-specific statute, if an actual or prospective LHC officer or director has an interest, direct or indirect, in any contract to which the corporation is, or is to be a party, is such an interest or contract not prohibited, provided that: (1) the officer or director disclose such interest to LHC in writing; that such interest be set forth by staff in the minutes of the LHC; (2) that such LHC officer or employee having such an interest does not participate in any action by the LHC, including but not limited to discussion; and that, (3) if an LHC board member, (a) the LHC director does not vote on any issue bearing on that interest but rather (b) recuses himself from any action taken by the LHC board of directors.
2. Specific Events Guidance. If notwithstanding the foregoing, La. R.S. 42:1112 or 1113 or other provisions are deemed by Ethics to be controlling in cases involving LHC, would they govern:

³ Acts 2011, No. 408, §1, eff. July 5, 2011; Acts 2013, No. 420, §5, eff. June 21, 2013.

⁴ See former statute reproduced in part following this Request. See also 2011 Legislative Conference Report that really could not have been more clear: "11. Provides that the corporation and the board will be subject to laws relative to public bodies, public records, and the Code of Governmental Ethics '*except to the extent in conflict*' with proposed law." (Underline in original; Italics added.)

⁵ When the wording of a Section is clear and free of ambiguity, the letter of it shall not be disregarded under the pretext of pursuing its spirit. La. R.S. 1:4.

Past Services

- (i) A situation in which a prospective officer or director of the Louisiana Housing Corporation (LHC) is the *former* CEO of a nonprofit with who is owed money by the nonprofit for a project for services *already* rendered, but which the nonprofit cannot pay, or prefers not to pay, until it receives through LHC Federal grant proceeds payable upon completion and occupancy pursuant to a previously negotiated draw schedule, when the nonprofit but not the former CEO has a direct relationship with LHC, and the former CEO's services are completed prior to his or her employment⁶; or
- (ii) A situation in which an officer or director of LHC is owed money as a consultant to a nonprofit or for-profit entity for services *already* rendered, but which the client cannot pay until it receives through LHC Federal grant proceeds payable upon milestones pursuant to a draw schedule, when neither that officer or director nor any entity with which he is involved has a direct relationship with LHC, and the officer's or director's services are completed prior to his or her employment or appointment?⁷

Future Guidance

- (iii) The same question, but under which an LHC officer or director contemplates future activities contemplated by La. R.S. 40:600.90 (H).⁸

⁶ The Executive Director candidate is owed some \$100,000 for work already performed in behalf of his former part-time employer, a nonprofit CHDO (Community Housing Development Organization), some in connection with managing its day to day operations, but more in connection with project-related work.

⁷ The Executive Director is also \$150,000 or more in connection with work not involving the CHDO, where with CHDO board permission he was permitted to perform similar work benefitting other nonprofit entities. The balance he is owed is in connection with larger Low Income Housing Tax Credit projects.

⁸ Should his nonprofit employer engage in such future activities, the LHC Director anticipates drawing no increase in personal compensation whatsoever.

With respect to the prospective Executive Director, no mutually beneficial contract negotiations on the matter have occurred to date, but it is his stated preference to bring future financial opportunities of the types he previously encountered to the Corporation. At a minimum, however, he has indicated that he contemplates undertaking no such future activities without full disclosure and full compliance with law -- possibly after seeking further guidance from the Ethics Board.

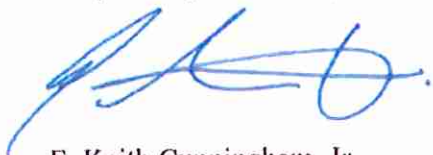
Questions presented to the Board for consideration do not include whether the Executive Director is prohibited by general Ethics provisions from engaging in prohibited business relations with the Corporation for two years following his or her term of office.

Proposed Disqualification Plans

In the case of the Executive Director, in addition to full written disclosures, he will not participate in any manner with the matters in which he has an interest. Such matters will be handled on a routine basis by line staff and, when necessary, responsibilities ordinarily handled by the Executive Director will be handled by the LHC Board Chair or his/her designee.

In the case of a Director, if the Board Chair or a Committee Chair, in addition to full written disclosure, abstention and recusal, the Director shall not preside over the meeting.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'E. Keith Cunningham, Jr.', with a stylized flourish at the end.

E. Keith Cunningham, Jr.
Interim Executive Director

PREDECESSOR LHFA STATUTE REPEALED BY 2011 LHC STATUTE

La. R.S. 40:600.5 (F), which was repealed and replaced by La. R.S. 40:600.90 in 2011, read as follows:

* * *

F.(1) If any commissioner, officer, or employee of the agency shall have an interest, either direct or indirect, in any contract to which the agency is, or is to be, a party, or in any lending institution requesting a loan from, or offering to sell insured mortgage loans to, the agency, such interest shall be disclosed to the agency in writing and shall be set forth in the minutes of the agency.

(2) Notwithstanding the provisions of R.S. 42:1112, no commissioner appointed from nominations made by organizations as provided in R.S. 40:600.4(A)(3)(a) through (g) and (i), officer, or employee having such interest shall participate in any action by the agency with respect to such contract or lending institution.

(3) No commissioner appointed from nominations made by the Louisiana AFL-CIO, as provided in R.S. 40:600.4(A)(3)(h), or from the general public, as provided in R.S. 40:600.4(A)(3)(j), having such interest shall participate in any action by the agency with respect to such contract or lending institution.

(4) Nothing contained in this Subsection shall be deemed or construed to limit the right of any commissioner, officer, or employee of the agency to act as a real estate agent in any transaction wherein purchase financing is derived, in whole or in part, directly or indirectly, from the sale of securities of the agency, to acquire bonds of the agency, or to have an interest in any banking institution in which the funds of the agency are, or are to be, deposited or which is, or is to be, acting as trustee or paying agency under any resolution of the agency.

* * * *

Added by Acts 1980, No. 707, §1, eff. July 24, 1980. Acts 1984, No. 892, §1; Acts 1985, No. 882, §1; Acts 1995, No. 90, §1; Acts 2003, No. 983, §1, eff. July 1, 2003; Acts 2011, No. 408, §3, eff. midnight, June 30, 2012.



Louisiana Housing Corporation

May 19, 2016

Ms. Kathleen Allen, Administrator
Louisiana Board of Ethics
LOUISIANA ETHICS ADMINISTRATION PROGRAM
P.O. Box 4368
Baton Rouge, Louisiana 70821

Re: Reply to your May 13 Request for Additional Information Pertaining to our original Ethics Advisory Opinion Request concerning La. R.S. 40:600.90

Dear Ms. Allen:

Before responding to your specific informational requests, let me repeat the Corporation's request for expedited consideration at your May Ethics Board meeting for the reasons previously cited.

Now returning to your request for additional information:

1.) **LHC Statutory Ethics Exception.** Our specific question is: Does the Ethics Board agree that La. R.S. 40:600.90 is a LHC-specific statute and, for future reference (assuming no change in law), and that it agrees with our previously stated interpretation as to its correct application?

2.) (a) **Charles Tate; Community Directions, Inc.**

Charles Tate is a prospective Executive Director of the LHC.

The LHC is perceived to have had enormous challenges, perhaps explaining the replacement of 8 of its 11 directors in 2016. Those obligated to make appointments to the Board deliberately chose to move in a different direction, one more closely adhering to real-world experience.

Mr. Tate's bio is enclosed, and it sets forth in greater detail his qualifications. Mr. Tate has participated in the creation or preservation of some 700 units of affordable housing, with Total Development Costs exceeding \$50 Million.

Affordable housing development projects routinely take several years from concept to completion and occupancy, and developer fees are routinely paid last. Mr. Tate is owed considerable sums for work he has already performed on affordable housing projects.

If employed by LHC, Mr. Tate intends to resign his position as CEO of Community Directions, Inc. ("CDI"). CDI is a nonprofit LHC designated Community Housing Development Organization ("CHDO").

CDI has received Federal resources via LHC awards following competitive "Notices of Funding Announcements," or NOFAs (like RFPs) to help it fulfill its and LHC's shared mission of creating and preserving affordable housing for Louisiana citizens of modest means. (Affordable housing rents are not high enough to cover a mortgage large enough in size to cover all development costs; LHC provided resources are used to "fill the gap.")

Mr. Tate hopes and intends to do no work for CDI should he come to work for LHC. However he does seek confirmation, either way, as to whether La. R.S. 600:90 would permit him to occasionally be consulted by development team members (not LHC Staff) should they feel the need.

Mr. Tate also seeks confirmation that when those funds become available in the ordinary development process that he can be paid by CDI for the work he has already performed for which he has not been paid:

Park Ridge IV Apartments, Opelousas, LA, \$45,000.

Park Ridge V Apartments, Opelousas, LA, \$45,000.

The conditional commitments (contracts)¹ for these two CDI sponsored projects are attached, together with their LHC approved budgets (Sources and Uses) depicting Developer Fees of \$109,008 each for Park Ridge IV and Park Ridge V (\$218,016 total).²

The bulk of Mr. Tate's work for CDI development projects comes on the front end of projects and is essentially finished by the time projects close and construction work begins, after which the project's Development Consultant, Architect, and General Contractor take over. Should Mr. Tate become employed by LHC, any remaining tasks can be fulfilled by a successor CEO or by another CDI officer, such as CDI's veteran President.

¹ These Conditional Commitments of HOME Funds will be replaced with firm HOME Commitments after the ongoing environmental review process is completed and HUD permits a Notice to Proceed to be issued for these two developments.

² Another HOME NOFA targeting CHDOs including CDI was released May 13, after our initial request for an expedited Ethics Advisory Opinion. CDI evidently is considering submitting one or more HOME applications, one application targeting workforce and disabled residents (possibly a Park Ridge VI), and a second one being a scattered site single family rental rehab project in Mr. Tate's hometown. If funded and Mr. Tate becomes LHC's next Executive Director, he will immediately come to terms with CDI as to any sums he might be owed in the distant future for those projects and likewise be paid in due course for that work.

3.) Charles Tate; Jasmine Consulting, LLC.

Mr. Tate has also earned affordable housing consulting fees serving the needs of other nonprofits needing similar help to those Mr. Tate has provided as part-time CEO of Community Directions, Inc. ("CDI").

Although not required to do so, Mr. Tate received authorization from the CDI board of directors to provide and be compensated for development consulting services rendered in behalf of other nonprofits in Acadiana, among them Faith House, Affiliated Blind, the Assist Agency and the Diocese of Lafayette and smaller nonprofit owners of older apartments buildings that dot the landscape virtually unnoticed.

The vehicle used by Mr. Tate to perform these services has been Jasmine Consulting, LLC, named after the first of his five grandchildren.

Neither Charles Tate nor Jasmine Consulting, LLC is believed to have ever had a direct contractual relationship with LHC; rather, generally Jasmine Consulting has been hired and paid by another development consultant to perform a role identical to his role where CDI is involved. He works with others to perfect an affordable housing concept, helps pull together a qualified development team, a scope of work and budget, and submit a timely competitive application. When a project is funded, Jasmine Consulting LLC then turns projects over to other development team members.

It is estimated that as of the June Ethics Board meeting, Jasmine Consulting shall be owed for pending work the following sums which have not been paid:

Gabriel Villa Apartments Preservation Rehab: \$157,914
Beau Sejour Estates Preservation Rehab: \$50,000
Holy Family Apartments, unknown (possibly \$0)
Village du Lac, Phases I & III: \$20,250.90

4.) Future activities for Mr. Tate

While Mr. Tate indicates that he does not plan to engage in any such outside activities should he be appointed Executive Director of LHC, both he and LHC would appreciate guidance as to whether such services would constitute a prohibited activity in the event Mr. Tate sees a worthy project that no one else steps forward to embrace and develop.

5.) Contemplated Disqualification Plans

Questions: Is a Disqualification Plan required for Mr. Tate?

If so, would a Resolution proposing the use of Disqualification Plans containing the following or similar terms be acceptable to the Ethics Board?

In the case of Mr. Tate were he appointed Executive Director candidate, in addition to full written disclosures, that he will not participate in any manner with the matters in which he has an interest. Such matters will be handled on a routine basis by line staff and, when necessary, responsibilities ordinarily handled by the Executive Director will be handled by the LHC Board Chair or his/her designee.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'E. Keith Cunningham, Jr.', with a stylized, flowing script.

E. Keith Cunningham, Jr.
Interim Executive Director

Sources & Uses

Fund Sources	
	\$ Amount
Permanent First Mortgage Loan Principal	\$110,300.00
Permanent Second Mortgage Loan Principal	\$0.00
Non-Governmental Cash Flow Notes	\$0.00
HOME Funds	\$625,000.00
Other Matching Sources	\$110,300.00
Existing Account Balances:	
Reserve for Replacement	\$0.00
Owner Contribution:	
Deferred Developer Fee	
Lease-Up Reserves	
Operating Reserves	
Temporary Construction Loan	
1 Other: Gross Tax Equity	
2: Other	
3: Other	
4: Other	
5: Other	
Other Sources Needed to Balance	\$0.00
Total Funding Sources	\$735,300.00

Fund Uses	
	\$ Amount
Rehabilitation Hard Costs	\$0.00
New Construction Hard Costs	\$535,786.00
Total Soft Costs	\$174,514.00
Acquisition Costs:	
Land Only	\$25,000.00
Buildings Only	
Other	
Other	
Demolition	
Other	11
Total Development Costs	\$735,300.00
Initial Operating Deficit Reserve	
Initial Deposit to Replacement Reserve	
Temporary Construction Loan	\$0.00
1: Other	\$0.00
2: Other	\$0.00
Total Use of Funds	\$735,300.00

Sources & Uses Comments:

AMEC Spreadsheet Error. Sources fails to include correct Match shown on AMEC "Match" Tab/Page -- foregone Developer Fees etc. "Other Matching Sources" should total \$191,916 per the Calculation found on the AMEC "Match Leverage" Tab.

Also: Sponsor willing to reduce Developer Fee to extent required to reduce Soft Costs to 20% of TDC, although neither the Rehab/New Construction tab, the NOFA nor HUD Rules are believed to impose that 20% constraint. (See

Soft Costs

	\$ Amount
Architect's Fee - Design	\$27,550.00
Architect's Fee - Supervisory	\$9,903.00
Interest During Construction	\$11,250.00
Taxes	
Insurance	\$2,000.00
Mortgage Insurance Premium	\$0.00
Examination Fee	\$0.00
Inspection Fee	\$0.00
Financing Fee	\$1,103.00
Title and Recording	\$3,500.00
Taxpayer Closing Costs	\$4,500.00
Organization	\$1,200.00
Cost Certification Audit Fee	\$0.00
Application Fees	\$1,000.00
Relocation Expenses	\$0.00
Developer Fee (Including All Consultant Fees and Contingency Fees)	\$109,008.00
LHC Fees	\$1,000.00
Lender Legal	\$0.00
Origination Fee (Construction)	\$0.00
Taxpayer Counsel	\$0.00
Survey	\$2,500.00
Audit Fees	\$0.00
Construction Loan/Financing Fees	
1: Other	
2: Other	
Total Fundable Soft Costs:	\$174,514.00

COT

Pauk Ridge

V

Sources & Uses

Fund Sources	
	\$ Amount
Permanent First Mortgage Loan Principal	\$110,300.00
Permanent Second Mortgage Loan Principal	\$0.00
Non-Governmental Cash Flow Notes	\$0.00
HOME Funds	\$625,000.00
Other Matching Sources	\$110,300.00
Existing Account Balances:	
Reserve for Replacement	\$0.00
Owner Contribution:	
Deferred Developer Fee	\$10,250.00
Lease-Up Reserves	
Operating Reserves	
Temporary Construction Loan	
1 Other: Gross Tax Equity	
2: Other	
3: Other	
4: Other	
5: Other	
Other Sources Needed to Balance	\$0.00
Total Funding Sources	\$745,550.00

Fund Uses	
	\$ Amount
Rehabilitation Hard Costs	\$0.00
New Construction Hard Costs	\$544,786.00
Total Soft Costs	\$175,764.00
Acquisition Costs:	
Land Only	\$25,000.00
Buildings Only	
Other	
Other	
Demolition	
Other	11
Total Development Costs	\$745,550.00
Initial Operating Deficit Reserve	
Initial Deposit to Replacement Reserve	
Temporary Construction Loan	\$0.00
1: Other	\$0.00
2: Other	\$0.00
Total Use of Funds	\$745,550.00

Sources & Uses Comments:

AMEC Spreadsheet Error. Match shown in Sources should total \$214,516 per the Calculation found on the AMEC "Match Leverage" Tab.

Also: Sponsor willing to reduce Developer Fee to extent required to reduce Soft Costs to 20% of TOC, although neither the Rehab/New Construction tab, the NOFA nor HUD Rules are believed to impose that 20% constraint. (See AMEC "Eligibility" Tab.)

Soft Costs

	\$ Amount
Architect's Fee - Design	\$29,400.00
Architect's Fee - Supervisory	\$9,303.00
Interest During Construction	\$11,250.00
Taxes	
Insurance	\$2,000.00
Mortgage Insurance Premium	\$0.00
Examination Fee	\$0.00
Inspection Fee	\$0.00
Financing Fee	\$1,103.00
Title and Recording	\$3,500.00
Taxpayer Closing Costs	\$4,500.00
Organization	\$1,200.00
Cost Certification Audit Fee	\$0.00
Application Fees	\$1,000.00
Relocation Expenses	\$0.00
Developer Fee (Including All Consultant Fees and Contingency Fees)	\$109,008.00
LHC Fees	\$1,000.00
Lender Legal	\$0.00
Origination Fee (Construction)	\$0.00
Taxpayer Counsel	\$0.00
Survey	\$2,500.00
Audit Fees	\$0.00
Construction Loan/Financing Fees	
1: Other	
2: Other	
Total Fundable Soft Costs:	\$175,764.00

Charles Tate

Education

B.A., Louisiana State University, Baton Rouge, Louisiana
JD, Tulane Law School, New Orleans, Louisiana
MBA, Southeastern Louisiana University, Hammond, Louisiana

Past Non Housing Professional Experience (Partial)

Attorney
City Attorney
City Prosecutor
Staff Member, Louisiana Governors Office
Law Clerk, Chief Justice, Louisiana Supreme Court
Congressional Staff Assistant

Nonprofit and For-Profit Housing Experience

Nonprofit Housing Experience

Charles Tate serves as Chief Executive Officer for Community Directions, Inc., a 501 (c) organization that is a Louisiana Community Housing Development Organization (CHDO), a United States Treasury certified Community Development Entity (CDE) and a provider of housing services across much of the recognized spectrum of housing.

Community Directions, Inc. (hereinafter CDI) has extensive experience in providing transitional and permanent housing for homeless persons with supportive services to the elderly and disabled including those with histories of substance abuse since 1999.

CDI has sponsored and cosponsored several affordable housing developments since it was incorporated in 2000. Those developments have been funded with HUD administered 202 and 811 funds, State and local government administered CDBG and HOME Funds, Louisiana Housing Trust Funds, Bank loans, Low Income Housing Tax Credits, USDA 515 financing, and Federal Home Loan Bank AHP grants.

CDI: Completed Projects by location and date

McGehee, AR (NM)	15	New	Rental	2007
Jonesboro, LA (Haven) –Co-Sponsor	16	New	Rental	2008
New Iberia, LA Cane Pointe I	12	New	Rental	2010
New Iberia, LA Cane Manor	15	New	Rental	2010
Ville Platte, LA (VPTA)	4	Rehab	Rent/Own	2010-2013
Opelousas, LA (SLH) – 9% LIHTC, Co-Developer	32	New	Rental	2009
New Iberia, LA Cane Pointe (II)	4	New	Rental	2013
Ville Platte, LA (VPTA)	1	New	Rent/Own	2013
Lafayette, LA (FH III - Maison de la Paix I)	6	New	Rental	2013

Hamburg, AR (HUD 202 and 811)	20	New	Rental	2011
McGehee, AR	12	New	Rental	2010
New Iberia, LA (Cane Pointe II)	4	New	Rental	2013
Hamburg, AR – (USDA 515 Elderly, IIAC)	30	Acq/Rehab	Rental	2014
Opelousas, LA (Park Ridge III)	6	New	Rental	2015

Some of CDI's projects have involved Davis-Bacon Prevailing Wage Laws and some have not.

CDI's directors are all unpaid volunteers.

For-Profit Development Experience

Given CDI's limited financial capacity, its Board has authorized Mr. Charles Tate to act as a developer and consultant on projects not involving CDI. Those projects include funding sources similar to those specified above for CDI.

In that independent capacity, Mr. Tate has provided development and consulting services in connection with the following developments, sometimes individually, but in recent years as Principal of Jasmine Consulting, LLC:

Other Non-CDI Completed Projects

Opelousas, LA (PR)	12	New	Rental	2009
Ville Platte, LA (EP)	12	New	Rental	2010
Abbeville, LA (Herod I)	9	New	Rental	2012
Eunice, LA (Unity)	9	New	Rental	2012
Lafayette, LA (Daigle)	32	New	Rental	2013
Lafayette, LA (VDL II/Rue du Lac) – 9% GO Zone LIHTC	140	Rehab	Rental	2012
Lafayette, LA (Daigle)	32	New	Rental	2013
Baton Rouge, LA (Gardens)	55	New	Rental	2013

Other Non-CDI Projects:

Lafayette , LA (Daigle)	32	New	Rental	2013
Abbeville, LA (Herod II)	12	New	Rental	2013
Lafayette, LA (VDL I and III)	60	Rehab	Rental	2013-4
Sunset, LA (VD)	70	Rehab	Rental	2013-4
Lafayette, LA (HF) – 4% LIHTC/MRB	160	Rehab	Rental	2014-5

CDI Pipeline Report as of December 11, 2015

All of the above noted CDI Projects not only are far along and in the hands of architects, consultants, contractors and attorneys, thus requiring negligible time on the part of CDI's CEO and part-time office assistant. They are in fact complete.

However, their time, as for the past 5 years, is partly devoted to general oversight of two homeless programs and occasional, ongoing compliance requirements with which this Corporation is mostly familiar inasmuch as they are mostly HOME funded projects. (The Arkansas projects also require little time, as those are mostly routine HUD 202 and 811 matters handled by third party consultants, architects, and contractors.)

Properties that have been completed are managed by professional third parties and require very limited time on the part of staff.

Tate ("Jasmine Consulting") Pipeline Report as of December 11, 2015

All of the Non-CDI projects noted above are either closed or (Holy Family) will be by the time the requested funds are awarded. After projects' close, Tate's time requirements become vastly diminished, as they become the business of architects, co-consultants, contractors, attorneys and management agents, and require negligible time on Tate's time.

Properties that have been completed are owned by other sponsoring entities and managed by professional third parties and require no time on Tate's part.

The only project that might require some of Tate's time through closing is Gabriel Villa Rehab, a 4%/HOME Application that was submitted in behalf of two nonprofits (Gulf Coast Housing Partnersip and Gabriel Villa, Inc.) on November 25, 2015. Assuming success, Tate's principal responsibility in connection with both projects will be to pull together documentation required to proceed toward closing, but as LHC Staff knows from the Application pending before it, most of the required documentation is already in hand, and Tate will not have to perform this work alone given the larger and experienced development teams involved with both, including experienced

financial institutions, architects, attorneys, consultants, contractors and, in the case of Gabriel Villa, an experienced co-developer (Gulf Coast Housing Partnership).

Given the foregoing (and the absence of complicated sources of funds), both CDI and its CEO have adequate time to devote to a quick closing, timely construction start, completion and lease up of this project, as was the case with the Park Ridge III development situated immediately adjacent to it.

C.D.I.

✓

RESOLUTION TO AUTHORIZE EMPLOYMENT AND COMPENSATION OF
CHIEF EXECUTIVE OFFICER ADDITIONAL PERSONNEL UPON RECEIPT OF
ADEQUATE FUNDING, AND TO PROVIDE FOR RELATED MATTERS

On motion of JEFFERSON, duly seconded by SEELY, the following resolution was introduced and read in full:

WHEREAS the board of directors of Community Directions, Inc. has previously authorized its President and staff, including its Chief Executive Officer, to file applications for grants and loans to develop and redevelop affordable housing, including those to be sponsored or cosponsored by Community Directions, Inc.; and

WHEREAS the board has previously authorized its CEO to draw a salary when resources become available, whether through CHDO Operating Expense Grants, Developer Fees or other means.

WHEREAS, pursuant to this authority, Community Directions, Inc. has successfully applied for several grants sponsored or cosponsored by Community Directions, Inc., including CHDO Operating Expense subsidies and other resources.

WHEREAS future resources the grants might facilitate the financial ability to formally employ staff and/or otherwise add capacity should same become needed;

NOW THEREFORE BE IT FURTHER RESOLVED that Community Directions, Inc. hereby re-authorizes its President to negotiate, as circumstances permit, a reasonable compensation package, including salary, fringe benefits etc. with its Chief Executive Officer whose original salary was fixed at \$6,000 per month, with a credit for any amounts paid to him, provided it be understood by him that his tenure, salary and benefits continue to depend upon this organization's continuing ability to produce the revenue necessary to support both, as well as the organization's other continuing requirements;

NOW THEREFORE BE IT FURTHER RESOLVED that Community Directions, Inc. hereby authorizes its President to authorize its Chief Executive Officer to add staffing, whether on contract or as full- or part-time employees, including salary and/or benefits, provided the same understanding be related to any potential employees in advance of their hiring.

BE IT FURTHER RESOLVED that both the President and the Chief Executive Officer are authorized to execute all documents necessary to effectuate such Resolution.

After the reading of the whole, the Moderator called for the vote with the following results:

Yeas: SEELY, DUCOTE,
BOURGEOIS, BERRINGER, JEFFERSON, HOLLOWAY

Nays: 0

BE IT FURTHER RESOLVED that in the event that the Chief Executive Officer elects to perform and be compensated (in addition to any compensation he might receive as Chief Executive Officer) as CDI's attorney for legal services in connection with this endeavor it is deemed mutually beneficial that, as he suggested, all recorded instruments be signed by the President, Executive Director, or Secretary, except in the event the Chief Executive Officer is directed by the President or Board to do so.

BE IT FURTHER RESOLVED that the Consultant, President, and Chief Executive Officer or their designees, shall coordinate among the consultants, agencies, financial institutions and others so as to keep this Board of Directors fully apprised of all budgets, budget amendments, development, expenditures, progress and activities including activities by and/or on behalf of the new corporation.

After the reading of the whole, the Moderator called for the vote with the following results:

Yeas: *BOURGEOIS, BAQUE, DUCOTE, SEELEY, HOLLOWAY, BEHRINGER, JEFFERSON*
Nays: *0*
Abstaining: *0*
Absent: *0 - PROXY*

The Moderator thereupon declared the Resolution approved and directed that a copy be entered into the Community Directions, Inc. minute book.

Patty S. De Juan
President

CERTIFICATION

It is hereby certified that the above Resolution was adopted at a duly convened regular/special meeting of the Board of Directors held on the 22 day of March, 2015 after due notice at the regular meeting place.

Dorothy Holloway
Secretary

RESOLUTION TO AUTHORIZE GRANTS TO UNDERTAKE AFFORDABLE
HOUSING DEVELOPMENT IN LOUISIANA THROUGH THE LOUISIANA
HOUSING CORPORATION'S HOME, LOW INCOME HOUSING CREDIT
AND OTHER FUNDING PROGRAMS, AND RELATED MATTERS

On motion of Dorothy Holloway, duly seconded by Phillip G. Bourgeois, the following resolution was introduced and read in full:

WHEREAS the Board of Directors of Community Directions, Inc. previously authorized its President and staff, along with the employment of the necessary consultants, to file applications for grants and loans to develop and/or redevelop affordable housing throughout Louisiana; and,

WHEREAS pursuant to that and other authority, the board wishes to reiterate that broad mandate, including with respect to the HOME, CDBG and CHDO Set-Aside Programs, 4% and 9% Low Income Housing Tax Credits, USDA 515 and 538 Program, HUD 221 D Program, FHLB-D loans and grants and any and all other opportunities that might arise to suit the needs of Louisiana and other citizens, whether via new construction, acquisition, acquisition-rehabilitation or any other means;

NOW THEREFORE BE IT RESOLVED that either the President, the Executive Director, the Secretary or, subject to the limitations set forth below, the Chief Executive Officer, is hereby authorized to apply for any and all such funding opportunities, whether as a consultant to assist other nonprofits as Sponsor or Co-Sponsor, whether along or in conjunction with development partners, and when necessary to establish a new Louisiana chartered IRS 501c3 nonprofit corporation or other qualified entity to own and or operate any such housing developments that might be funded, or to assign any rights so received to any existing entity or another single asset entity to be established for the purpose.

BE IT FURTHER RESOLVED that said officers are also authorized to take steps necessary to obtain funding from any Disaster Recovery Unit in Louisiana, the Federal Home Loan Bank, and from private lenders or any other funders, and to execute a Developer Services Agreement to take any other measures required to pursue, receive and administer such funds when approved or awarded.

BE IT FURTHER RESOLVED that either the President, the Executive Director, the Secretary, or subject to the limitations set forth below, the Chief Executive Officer, is hereby authorized to execute all documents and make any necessary amendments, and is hereby authorized to take whatever steps and offer their signatures in a timely manner to accept grants, make loans, purchase property and or accept donations of resources required for the development, and;

BE IT FURTHER RESOLVED that Le Centre Evangeline Corporation is retained as the Development Consultant, Charles Tate (pursuant to prior authority) or his designee as the development coordinator and attorney, Ardoin Architecture, LLC, as the architects of record, and Richard Urban or another certified public accountant for the accounting And closing audit and cost certification.

Extra Copy

BE IT FURTHER RESOLVED that in the event that the Chief Executive Officer elects to perform and be compensated (in addition to any compensation he might receive as Chief Executive Officer) as CDI's attorney for legal services in connection with this endeavor it is deemed mutually beneficial that, as he suggested, all recorded instruments be signed by the President, Executive Director, or Secretary, except in the event the Chief Executive Officer is directed by the President or Board to do so.

BE IT FURTHER RESOLVED that the Consultant, President, and Chief Executive Officer or their designees, shall coordinate among the consultants, agencies, financial institutions and others so as to keep this Board of Directors fully apprised of all budgets, budget amendments, development, expenditures, progress and activities including activities by and/or on behalf of the new corporation.

After the reading of the whole, the Moderator called for the vote with the following results:

Yeas: *BOURGEOIS, BAQUA, DUCOTE, SBELEY, HOLLOWAY, BEHRINGER, JEFFERSON*
Nays: *0*
Abstaining: *0*
Absent: *0 - PROXY*

The Moderator thereupon declared the Resolution approved and directed that a copy be entered into the Community Directions, Inc. minute book.

Willie J. De Jesus
President

CERTIFICATION

It is hereby certified that the above Resolution was adopted at a duly convened regular/special meeting of the Board of Directors held on the 22 day of March, 20 15 after due notice at the regular meeting place.

Dorothy Holloway
Secretary

CDI RESOLUTION TO RENEW CDI's 2014-2015 (and beyond) CHDO STATUS WITH LHC,
APPROVE CDI's ANNUAL BUDGET, ADOPT CDI's STRATEGIC PLAN, AUTHORIZE ITS
OFFICERS TO SUBMIT FUTURE APPLICATIONS FOR CHDO STATUS, AFFORDABLE
HOUSING PROJECTS, AND OTHER MATTERS

On motion of Gary Behringer, duly seconded by Linda Jefferson, the following resolution was introduced and read in full:

Whereas there is a need for CDI to renew its CHDO status with the HOME Department and the Louisiana Housing Corporation (LHC) for 2014 - 2015, with approval of a minimum 2/3 vote of its Board of Directors;

Whereas doing so also involves the completion of a more lengthy application, including the incorporation of a number of exhibits, including but not limited to an annual budget and a Strategic Plan;

Whereas this organization desires to renew its CHDO Status with the LHC for 2014 - 2015 and beyond, and leave open the possibility of applying for CHDO Status with other political subdivisions of the State, together with possibility of applying for and receiving a CHDO Operating Expense subsidy, HOME funds set aside for eligible CHDO activities and any other financial or technical support;

Whereas this organization wishes to renew its prior policies with respect to sponsoring and facilitating in future affordable housing developments and endeavors to assist the less fortunate;

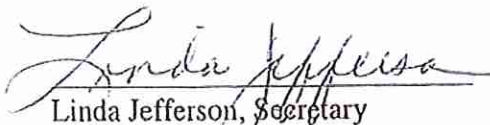
NOW THEREFORE BE IT RESOLVED that the annual budget and Strategic Plan having been considered are ratified for submission with and as part of the LHC CHDO Application, submission of which is also supported by the Board of Directors;

BE IT FURTHER RESOLVED that President Phillip G. Bourgeois and/or CEO Charles Tate are/ is authorized to submit and sign applications, letters, exhibits and other any documents as might be required to fulfill the purpose of this Resolution, both with respect to CHDO Renewal, CHDO Operating Assistance and similar grants, and with respect to future affordable housing developments and endeavors to assist the less fortunate (and ratifying any such works or efforts performed since our last similar authorization and ratification), for 2014-2015 and years beyond.

After the reading of the whole the vote was called for with the following results: Yeas: Phillip G. Bourgeois, Linda Jefferson, Gary Behringer, Dorothy Holloway, Hilda Edwards, Mark Ducote (by proxy) Judy Seeley (by proxy). The Moderator thereupon declared the resolution adopted ordered it entered into the minute book.


Phillip G. Bourgeois, President & Chair

I, the undersigned duly appointed Secretary for Community Directions, Inc. hereby certify that the above resolution is a true and exact extract from the minutes of the duly convened regular meeting of the Board of Directors held on June 10, 2014.


Linda Jefferson, Secretary

Possible

Jasmine

Consulting LLC

exhibit

LeCentre Evangeline Corporation

130 West South Street
Opelousas, Louisiana 70571
Telephone (337) 351-3763
Fax No. (337) 942-2768
mtolson2002@yahoo.com

May 18, 2016

Mr. Keith Cunningham
Interim Executive Director
Louisiana Housing Corporation
2415 Quail Drive
Baton Rouge, Louisiana 70508

Mr. Charles Tate
Principal
Jasmine Consulting, LLC
P.O. Box 589
Ville Platte, Louisiana 70586

Re: Le Centre Evangeline's and Jasmine Consulting, LLC's Agreement as to Jasmine Consulting, LLC's estimated fees earned through June 16, 2016

Dear Messrs. Cunningham and Tate:

I understand that the Louisiana Housing Corporation, and through it the Louisiana Board of Ethics, needs third party corroboration to demonstrate how much Jasmine Consulting, LLC is owed for the development consulting services already provided, but for which payment must await availability of funds with which to pay projects' Developer Fees out of which those expenses will be paid.

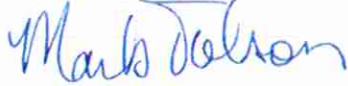
The following figures fairly represent the unpaid amount your firm will be owed as of June 16, conditioned of course upon my firm's own receipt of Developer Fees from which they will be paid:

Gabriel Villa Apartments Preservation Rehab: \$157,914
Beau Sejour Estates Preservation Rehab: \$50,000
Village du Lac, Phases I & III: \$20,250.90

My signature indicates my Agreement that these sums accurately reflect the sums so owed Jasmine Consulting, LLC. If agreeable, your signature will likewise signify your Agreement to these amounts.

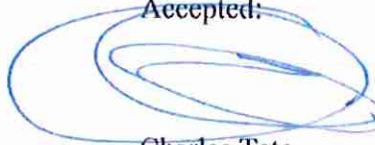
I trust that this correspondence suits the need for which it was intended, but let me know if further information is required.

Respectfully submitted,



Mark Tolson
Development Consultant

Accepted:



Charles Tate
Principal

Sources & Uses

Fund Sources

	\$ Amount
Permanent First Mortgage Loan Principal	\$422,496.00
Permanent Second Mortgage Loan Principal	\$825,000.00
HOME Funds	\$1,500,000.00
Gross Tax Credit Equity	\$1,633,082.62
CDBG Funds - LHC	\$0.00
CDBG Funds - OCD	\$0.00
CDBG Funds - Other	\$0.00
Reserve for Replacement	\$300,000.00
Deferred Developer Fee	\$0.00
Lease-Up Reserves	\$0.00
Operating Reserves	\$0.00
Temporary Contraction Loan	\$0.00
Other (please describe)	\$0.00
Other (please describe)	\$0.00
Other (please describe)	\$0.00
Other (please describe)	\$0.00
Seller Financing (Acquisition Cost less USDA \$8	\$1,033,507.00
Other Sources Needed to Balance	\$0.00
Total Funding Sources	\$5,714,086.00

Fund Uses

	\$ Amount
Rehabilitation Hard Costs	\$1,970,094.00
Construction Hard Costs	\$231,015.00
Total Soft Costs	\$1,309,471.00
Acquisition Costs:	
Land Only	\$140,000.00
Buildings Only	\$1,718,057.00
Transferred Reserves	\$0.00
Other Fund Uses NOT in Basis	
Demolition	\$0.00
Other (please describe)	\$0.00
Total Development Costs	\$5,368,637.00
Temporary Contraction Loan Pay off	\$0.00
Initial Operating Reserve	\$145,449.00
Initial Deposit to Replacement Reserve	\$200,000.00
Other (please describe)	\$0.00
Other (please describe)	\$0.00
Other (please describe)	\$0.00
Other (please describe)	\$0.00
Other (please describe)	\$0.00
Total Use of Funds	\$5,714,086.00

Gabriel Villa Apartments Preservation Rehab

899909

Sources & Uses Comments:

"New" sources include a conventional loan for \$442,496 bearing 5.75% interest amortized for 15 years, a HOME loan of \$1,500,000 bearing AFR of 2.55% amortized for 40 years, 4% Tax Credit equity, and subordinated Seller Financing of \$1,033,507 (1%, 40 year amortization eventually payable from surplus cash flow after, not shown) and the subordinated \$825,000 USDA 51 loan, 1% interest, 40 year amortization, plus transfers of some \$300,000 Reserves.

Soft Costs (Pre Placed in Service)

	\$ Amount
Architect's Fee - Design	\$94,000.00
Architect's Fee - Supervisory	\$40,400.00
Interest During Construction	\$0.00
Taxes During Construction	\$7,500.00
Insurance During Construction	\$32,000.00
Financing Fee (Construction)	\$0.00
Financing Fee (Permanent)	\$4,569.00
Title and Recording Costs	\$20,000.00
Taxpayer Closing Costs	\$0.00
Organization Costs	\$5,000.00
Relocation Expenses	\$100,000.00
Lender Legal Fees	\$40,000.00
Taxpayer Counsel Fees	\$75,000.00
Survey Costs	\$12,000.00
Audit Fees	\$12,000.00
Developer Fee	\$610,049.00
LHC Tax Credit Fees	\$20,289.00
LHC HOME Fees	\$10,000.00
Asset Management Fee	\$0.00
CDBG Fees	\$0.00
Bridge Loan Fee	\$5,000.00
Bridge Loan Interest	\$29,289.00
Soft Cost Contingency	\$15,000.00
3rd Pty Reports-Appr., Env., CAN etc	\$24,500.00
Accounting and Cost Cert	\$8,000.00
Bond Issuance	\$111,125.00
Interest on Bonds	\$33,750.00
Total Fundable Soft Costs:	\$1,309,471.00

Beau Sejour Estates - 4% LIHTC

Development Budget

5/18/2016

	TOTAL Budget	Eligible Rehab. Basis 4% Credit	Eligible ACQ. Basis 4% Credit	Eligible Basis LTC Credit
Acquisition				
Property Acquisition Land	170,000			
Property Acquisition Improvements	2,008,412		1,973,782	
Title & Recording	30,000	15,000	15,000	
Phase I/ECR	7,500	7,500		
Surveys	12,000	12,000		
PCNA	6,000	6,000		
Sewer Scan	0			
LBP & Asbestos & Radon Reports	6,000	6,000		
Improvements				
Remediation Costs	0	0		
Construction Costs	2,405,900	2,405,900		
Hard Cost Contingency	240,590	240,590		
Architecture & Engineering	169,000	169,000		
Lender Const. Inspection Fees	12,000	12,000		
Rehab/Construction Mgt. Fees	0	0		
Financing Costs				
Bond Issuance Costs	120,125			
Construction Interest	50,344			
Construction Loan Costs	10,000	10,000		
Perm Loan Costs	10,000			
Permanent Loan Financing Fee	27,000			
Developer Legal	45,000	38,250	5,000	
Organizational	5,000			
Appraisals	5,000	5,000		
Market Study	5,000	5,000		
HUD Counsel	0			
LHC HOME Counsel	45,000			
Bridge Loan Origination Fee	15,000	15,000		
Fees, Reserves and Soft Costs				
Accounting/Cost Cert	20,000	20,000		
Tax Credit Agency Costs	8,112			
FF&E	10,000	10,000		
Perm Insurance	39,900			
Real Estate Tax Escrow	43,384			
Permits/Fees	0	0		Included in GC SOW
Soft Cost Contingency	35,000	17,500		
Reserve for Replacements	31,500			
Marketing	0			
Relocation Costs	50,000			
Operating Reserves	223,161			
MIP (1st Year)	0			
'Reserved'				
Syndicator Legal	35,000			
'Reserved'	0			
Development Costs	5,898,928	2,934,740	1,993,782	0
Developer Fee	18% 844,166	759,749	84,417	18% TDC - acquisition + 8% acquisition for R
Total	6,743,093	3,754,489	2,078,199	0

TDC Per Unit \$ 64,220

Beau Sejour Estates - 4% LIHTC

Tax Credit Equity Calculation

5/18/2016

LIHTC Equity Calculation	LIHTC
Rehab Basis	3,754,489
Subtract Federal Historic Tax Credits	
Adjusted Rehab Basis	3,754,489
QCT Multiplier	130%
Total Adjusted Rehab Basis	4,880,836
Acquisition Basis	2,078,199
LIHTC Qualified Basis	6,959,035
Applicable Fraction	89%
Total LIHTC Eligible Basis	6,192,758
Factor	3.18% May 2016 Rate
Credits	219,190
Term of LIHTC	10 years
Total LIHTC Value	2,191,897
Limited Partner Participation	99.00%
LIHTC Value for Syndication	2,169,978
LIHTC Pricing	\$0.980
Equity	2,126,579
HTC Equity Calculation	Federal State
Basis	0 0
Factor	20.00% 25.00%
Credits	0 0
Rate	\$0.95 \$0.75
Equity	0 0

Community Directions, Inc.

(LHC CHDO and IRS 501 (c)(3) Nonprofit Corporation)

Post Office Box 172
Opelousas, LA 70571-0172

July 11, 2016

Mr. Keith Cunningham
Interim Executive Director
Louisiana Housing Corporation
2415 Quail Drive
Baton Rouge, Louisiana 70508

Mr. Charles Tate
Charles Tate
P.O. Box 589
Ville Platte, Louisiana 70586

Re: Community Directions, Inc.'s and Charles Tate's Agreement as to Charles Tate's Developer Fees earned through July 13, 2016

Dear Messrs. Cunningham and Tate:

I understand that the Louisiana Housing Corporation, and through it possibly the Louisiana Board of Ethics and HUD, needs third party corroboration to demonstrate how much Charles Tate is owed for professional development services already provided, but for which payment must await availability of funds with which to pay projects' Developer Fees out of which those expenses will be paid.

The following figures fairly represent the unpaid amount your firm will be owed as of June 16, conditioned of course upon my firm's own receipt of Developer Fees from which they will be paid:

Park Ridge Apartments, Phase IV: \$ 48,507
Park Ridge Apartments, Phase V: \$ 49,053
Park Ridge Apartments, Phase VI: \$100,000 (if awarded)

My signature indicates my Agreement that these sums accurately reflect the sums so owed Charles Tate for his professional services rendered to date in connection with projects sponsored by Community Directions, Inc., which he served as CEO prior to his resignation to serve as Executive Director of the Louisiana Housing Corporation, it being understood that this nonprofit organization can only pay those project related fees if and when it is scheduled and able to receive its share of Developer Fees pursuant to those projects' draw schedules. If agreeable, his signature will likewise signify his Agreement to these amounts.

I trust that this correspondence suits the need for which it was intended, but let me know if further information is required.

Respectfully submitted,



Phillip G. Bourgois
President



Accepted:

Charles Tate
Principal

Witness:



Mark Tolson, Development Consultant
Le Centre Evangeline Corporation

Enclosures:

Sources and Uses for the enumerated projects